

**DAIMINA Project, Nigeria
Quarterly Report July-September 2002**

Submitted by

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Table of Contents

	Page
Acronyms	i
Executive Summary.....	1
Introduction	2
1.0 Policy Analysis and Dialog	2
2.0 Private Sector Development	3
3.0 Development of Market Information System.....	7
4.0 Other Activities.....	8
5.0 Future activities.....	9

Acronyms

AFAMIN	African Agricultural Marketing Information Network
ATRIP	African Trade Investment Programme
DAIMINA	Developing Agri-Input Markets In Nigeria
FFD	Federal Fertilizer Department
FGN	Federal Government of Nigeria
FMARD	Federal Ministry of Agriculture and Rural Development
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IFDC	International Fertilizer Development Center (An International Center for Soil Fertility and Agricultural Development)
IITA	International Institute for Tropical Agriculture
KASAIDA	Kano State Agri-Input Dealers' Association
KNARDA	Kano Agricultural and Rural Development Authority
KASCO	Kano State Agricultural Supply Company
NGO	Non-Governmental Organization
OYSAIDA	Oyo State Agri-Input Dealers' Association
PCU	Projects Coordinating Unit
USAID	United States Agency for International Development
WTO	World Trade Organization

**IFDC – Nigeria
DAIMINA Project**

**Quarterly Progress Report
(July-September 2002)**

Executive Summary

In this fourth quarterly report will be found the achievements made by the USAID-funded DAIMINA project meant to improve the agri-input markets in Nigeria.

Highlights:

- Policy report “assessment of government-sponsored input distribution system in Nigeria” submitted to the Federal Ministry of Agriculture and Rural Development (FMARD) and USAID.
- Work plan for year 2 submitted to USAID.
- Conducted seven training workshops for 193 beneficiaries comprising of agro dealers, extension workers, and enumerators (data providers).
- Information gathered on the impact of training and networking to the agro dealers.
- Draft fertilizer regulation submitted to FMARD.
- Nigerian chapter of the African Agricultural Marketing Information Network (AFAMIN) website established.
- Report on seed sector survey prepared by International Institute for Tropical Agriculture (IITA).
- Market information system becomes stronger.

As provided in the work plan for year 1, DAIMINA continued its focus on the formulation and dialog on private sector-driven agricultural policies, finalization of fertilizer and seed regulations, conducting the technical and business management training to enhance private sector capacity in agribusiness, and consolidation of the market information base.

Introduction

In the quarter under report, apart from witnessing the achievements of the initial goals of the project, activities were undertaken to enhance the supply of agri-inputs to ensure improved agricultural production. This report summarizes the fulfillment of the project obligations for the fourth quarter of year 1 and the level of preparedness for the challenges ahead.

Fertilizer Application

Those farmers who applied basal fertilizers on time are already reaping the benefits, while those waiting for the government-subsidized fertilizers are complaining bitterly of poor yields because most of the input is yet to be delivered. Generally, members of DAIMINA-initiated Agro Dealer Associations (Kano State Agri-Input Dealers' Association [KASAIDA] and Oyo State Agri-Input Dealers' Association [OYSAIDA]) recorded higher sales in Kano and Oyo States after putting into practice the upgraded knowledge through the training workshops organized by the project. A summary of actions taken during the fourth quarter is given as follows.

1.0 Policy Analysis and Dialog

1.1 General Status

The current status of the fertilizer policy environment and inventory of resources as a prerequisite to the development of fertilizer regulations was completed in this quarter. The supplementary activities on World Trade Organization (WTO) compliance and impact on Nigerian agriculture were also completed.

1.2 Objectives

- a. Making appropriate recommendations to the Federal Government of Nigeria (FGN) on agricultural policies.
- b. Upgrading the draft fertilizer regulations and reviewing the seed subsector.

1.3 Activities in Support of Objectives

- a. Two short-term consultants were employed to carry out the assessment of FGN and state government (Kano and Oyo) policies on fertilizer import and distribution since the reintroduction of the fertilizer subsidy in June 1999.
- b. A draft report was submitted by the policy consultants and reviewed by IFDC Headquarters. A debriefing meeting was held with USAID/Nigeria. Some practical alternative market-friendly interventions that may be considered to promote the private sector participation and more directly benefit smallholder farmers were proposed in the report.
- c. A meeting with relevant government officials was also held to get their reaction to the policy recommendations. A 2-day meeting of the fertilizer regulation technical sub-committee was held at the project office September 4-5, 2002, to review the draft fertilizer regulations prepared by IFDC.
- d. The seed sector survey carried out by IITA was completed and submitted to IFDC.

2.0 Private Sector Development

2.1 General Status

The hitherto neglected private sector has started participating in an input supply system to improve farmers' access to agri-inputs in the project pilot states of Kano and Oyo. The FGN and state governments, having realized the potentials of the private sector, are extending considerable support to the project in this regard.

2.2 Summary of Objectives

- Consolidation and expansion of newly formed agro dealer associations.
- Training the executive committees of the associations.
- Enhancing the product knowledge and business management capabilities of the agro dealers.
- Ensuring availability of quality agri-inputs to farmers at competitive prices.
- Initiating collective procurement of inputs by dealers from input companies.
- Improving the relationship of trained agro dealers with financial/credit institutions.

2.3 Activities to Support Objectives

2.3.1 Training Materials—Four thousand wall posters on “fertilizer product knowledge” were printed and are being distributed during training in the two pilot zones of the project. A fertilizer product knowledge booklet has been prepared and is being printed and will be distributed to agro dealers and other stakeholders.

2.3.2 Agro Dealer Associations—Two state-level Agro Dealer Associations, i.e., OYSAIDA and KASADA were successfully launched on August 8 and September 26, 2002, in Ibadan and Kano, respectively.

In attendance at the OYSAIDA launching were about 95 agro dealers, government officials and farmer organizations. In his address, the Executive Governor of Oyo State noted that the greatest hindrance to improved agricultural productivity is inadequate and untimely supply of agri-inputs, especially fertilizer, seed, and crop protection products. The Governor appreciated DAIMINA efforts to accelerate the private sector participation in the supply of agri-inputs and offered the support of his administration in this activity of great national importance.

OYSAIDA now has four market-level associations and a membership of over 150 throughout the state. Members have started seeking the project advice for operating bank accounts and are trying to avail themselves of credit facilities from the banks. Some agro dealers have decided to erect agri-input stands in the rural markets to improve farmers’ access to agri-inputs.

KASADA was formally launched on September 26, 2002. More than 300 stakeholders attended this event. Among the dignitaries who graced the occasion were U.S. Ambassador, H.E. Howard Jeter; USAID/Nigeria mission team; the Minister of State for Agriculture; IFDC President/CEO, Dr. Amit H. Roy; the Kano State Deputy Governor and Commissioner for Agriculture; CEOs of input companies; agro dealers; business executives; senior government officials; farmer organizations; and Fadama Users’ Associations.

The U.S. Ambassador to Nigeria remarked that the private sector in Nigeria has the potential to supply agri-inputs in a cost-effective manner and can become a significant agent of change.

In her remarks USAID/Nigeria Mission Director, Ms. Dawn Liberi, stated that the efforts of the project in bringing together government and private sectors were well appreciated; and USAID felt that without access to inputs, technology, and markets, Nigeria's agriculture will remain stagnant and the natural resource base to support agriculture will continue to be undermined.

While emphasizing the importance of associations, IFDC President and CEO, Dr. Amit Roy, stated that IFDC's experiences in some countries has shown that the associations can import and distribute large volumes of fertilizers, establish agro-processing projects, procure crop produce, and initiate projects of agricultural development.

The president of KASAIDA stated the objectives of the association were to improve farmers access to quality inputs and assist the government in creating a conducive policy environment in Nigeria.

2.3.3 Training Workshops Organized—A total of 193 participants benefited from seven different training workshops organized by the project in this quarter. Out of these, there were 36 enumerators from Kano and Oyo States, 40 retail assistants from Kano State Agricultural Supply Company (KASCO) in Kano State, and 117 agro dealers from Kano and Oyo States.

Details of Training Workshops Organized During the Quarter

Title	Period	No. of Participants	Profile of Participants	Topics
Agribusiness Training Workshop, Ibadan	July 2002	36	Dealers, Farmers	Product knowledge, Agribusiness
Agribusiness Training Workshop, Kano	July 2002	39	Dealers, Farmers	Product knowledge, Agribusiness
KASCO Sales Personnel Training, Kano	July 2002	40	KASCO Sales staff, senior government officials	Product knowledge, Agribusiness
Agribusiness Training Workshop, Ibadan	August 2002	21	Dealers, Farmers	Product knowledge, Agribusiness
Enumerators' Training, Ibadan	August 2002	16	Enumerators	Data collection
Agribusiness Workshop, Kano	August 2002	21	Dealers, Farmers	Product knowledge, Agribusiness
Enumerators' Training, Kano	August 2002	20	Enumerators	Data collection
Total		193		

2.3.4 Training and Networking Benefits to Agro Dealers—The activity of linking the trained agro dealers with input companies, farmer organizations, finance institutions, research institutes, extension workers, non-governmental organizations (NGOs) and other stakeholders was undertaken on a regular basis.

- In Oyo State, for example, INSIS Ltd. (an input company) confirmed a sales increase of 10,000 L of herbicide in August 2002 emanating from training and networking activities by DAIMINA.
- Fitsco Nigeria Limited increased its seed sale by 200 kg in the same month. The same applies to most of the DAIMINA agro dealers in the zone. Hitherto, the Kano.
- Alheri seeds in Zaria wrote to the IFDC zonal office in Kano in the quarter and thanked the project for assisting him in exceeding his target for the quarter as a result of his linkage with agro dealers in Kano state. It is the same story with some farmer associations in the state who wrote to show their appreciation to DAIMINA for making it possible to source seeds for their members with ease in Kano state.
- Sorghum and Cotton Growers Associations of Nigeria.

In order to realize the project objective of dealers' access to finance, an experienced banker has been engaged on a full-time basis to network agro dealers with finance institutions for these dealers to be able to access loans and expand their businesses.

3.0 Development of Market Information System

3.1 General Status

The Agribusiness newsletter enjoyed a wider circulation during the quarter, and further progress was made in the website development.

3.2 Summary of Objectives

- a. Sustain the existing information network of the project.
- b. Expand the database of the project.

3.3 Activities in Support of Objectives

- a. A website facility has been established in the project office in collaboration with the IFDC Africa Division office in Lomé, Togo. DAIMINA activities can now be accessed by a cross section of stakeholders on the Internet from the Nigerian page of AFAMIN. In preparation for this, two AFAMIN facilitators came in from the IFDC Africa Division office, Togo, August 25-31, 2002.
- b. Thirty-six selected enumerators were trained on the best ways to collect data (for DAIMINA use) in Oyo and Kano States on August 26 and 29, respectively. The Nigerian page of the AFAMIN website will be launched in Togo during the first week of December 2002.
- c. Meanwhile, the DAIMINA website—www.daimina.org—from which information regarding the project's activities can be accessed by visitors to the web has become operational. Stakeholders and other interested parties can now browse the web for up to date information about the DAIMINA Project.
- d. The third edition of the monthly newsletter was released during the quarter while the fourth edition was already released for printing.

4.0 Other Activities

4.1 Collaborative Activities

- a. As an ongoing exercise, collaboration was established with FMARD, Projects Coordinating Unit, IITA, Rural Sector Enhancement Project, Winrock International, Department for International Development, Special Programme on Food Security, and ICRISAT in September 2002. Discussions were held with the officials of the World Bank team on the scope of IFDC participation in the Fadama II project.
- b. Arrangements are being made through the Kano zonal office to get improved seeds for DAIMINA-trained agro dealers from IITA and ICRISAT.
- c. As a fulfillment of the components of DAIMINA, a senior officer from the National Seed Service has been engaged on a part-time basis to the project for the seed component. The officer was sent to Togo to participate in the African Trade Investment Programme conference in Lomé during the quarter on behalf of DAIMINA.
- d. A visit was paid to a Fadama area in Kano State (Kura) on September 26, 2002, by the IFDC-DAIMINA team and others. In this group were IFDC President/CEO, DAIMINA Chief of Party, DAIMINA Project Manager, USAID/Nigeria Mission Director (Ms. Dawn Liberi) and her team, U.S. Ambassador to Nigeria (H.E. Howard Jeter) and his team, M. D. Knarda, and a host of other dignitaries.

4.2 Visits to Project Office

- a. Patrice Annequin of IFDC Africa Division, Togo, and Thomas Kamau, the website manager, were in Nigeria August 25-30, 2002, in respect to AFAMIN Nigerian page development.
- b. The IFDC Senior Specialist in Fertilizer Technology, David W. Rutland, from IFDC Headquarters came to the country on August 28, 2002, as a followup to the draft fertilizer regulation. He visited the Institute of Agricultural Research (Zaria), National Fertilizer Development Center, and Federal Super Phosphate Fertilizer Company (Kaduna) to inspect the laboratories and hold discussions with researchers and management teams. Discussions were also held with the officers in the legal unit of FMARD.

- c. Dr. Amit Roy, President and CEO, IFDC, participated in the KASAIIDA launching of September 26, 2002, in Kano.

5.0 Future activities

- 5.1 Assisting the trained agro dealers in the business plans and seeking of loans from commercial banks.
- 5.2 Organizing a fertilizer regulation workshop in collaboration with FFD/FMARD. Expansion to Bauchi state.
- 5.3 Training of data providers.
- 5.4 Training of agro dealers.
- 5.5 Training of association executives.
- 5.6 Formal launching of Nigerian page of AFAMIN website.
- 5.7 Soil collection and sampling activities in the zones.
- 5.8 Opening of the third zonal office.